

## Message Text

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ORIGIN PM-09

INFO OCT-01 ARA-11 ADP-00 DODE-00 OMB-01 TRSE-00 CIAE-00

H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SS-15 ACDA-19 GAC-01 AID-20 IGA-02 EB-11 MC-02 XMB-07

NSCE-00 SSO-00 INRE-00 /129 R

DRAFTED BY PM/ MAS- JLCLUNAN/ ARA/ CEN/ ES: ASLEGHT: CT

5/18/73: X28139

APPROVED BY PM/ MAS - CHRISTIAN A. CHAPMAN

PM/ PA - CAPT. COCHRANE ( SUBS)

ARA/ CEN - MR. LAZAR ( DRAFT)

ARA/ CEN - MR. PEZZULLO ( DRAFT)

ARA/ PLC - LTC WILLIAMS ( DRAFT)

DOD - MR. ALNE

OMB - MR. BALTAY ( INFO)

TREASURY - MR. CROSSWHITE ( INFO)

DOD/ ISA - MR. QUANT

----- 102086

O R 181557 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY SAN SALVADOR IMMEDIATE

AMEMBASSY TEGUCIGALPA

INFO USCINCSO

C O N F I D E N T I A L STATE 095402

E.O. 11652: GDS

TAGS: MASS, ES, US, HO

SUBJECT: JET PURCHASES

REFERENCES: ( A ) SAN SAL 1734; ( B ) STATE 029831; ( C ) STATE

220078; ( D ) STATE 026339 ( E ) AMBASSADOR/ SLEGHT TELCON

5/17/73

PART I: FOR SAN SALVADOR

1. WE REGARD CONVERSATIONS REPORTED REFTEL AS CONSTITUTING

OFFICIAL NOTIFICATION BY GOES THAT IT NOW WISHES TO SELECT

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PLAN B ( REF D) INSTEAD OF PLAN D. ACCORDINGLY, USAF TEAM WHICH WILL COME TO EL SALVADOR WILL BE PREPARED TO EXAMINE TECHNICAL REQUIREMENTS AND TO UNDERTAKE " SURVEY AND OFFER" DISCUSSIONS REGARDING FOUR A-37 B AIRCRAFT ( FROM NEW PRODUCTION) AND TWO T-37 B AIRCRAFT ( FROM INVENTORY). CONFIRMING REF E, USAF TECHNICAL TEAM CAN BEGIN DISCUSSIONS AS EARLY AS MAY 21 IN SAN SALVADOR. A SEPARATE DOD TEAM CAN LATER NEGOTIATE ACTUAL SALE OF THESE AIRCRAFT.

2. FINANCING. PAYMENTS OVER THREE YEARS SCHEDULED AS FOLLOWS:

FY74	FY75	FY76
1.3 MILLION DOLS	2.9 MILLION DOLS	0.3 MILLION DOLS

AVAILABILITY OF FMS CREDIT REMAINS UNCERTAIN DUE TO LACK OF FY74 LEGISLATION AND LARGE NUMBER OF OTHER PRIORITY CLAIMANTS FOR FY74 CREDIT. IN SPITE OF THESE CONSTRAINTS WE WISH BE AS RESPONSIVE AS POSSIBLE. AT PRESENT ONLY DOLS 500,000 IN FMS CREDIT IS EARMARKED FOR EL SALVADOR IN THE 1974 LEGISLATIVE PROPOSAL TO CONGRESS ON MAY 1. IN ADDITION, WE DO NOT WANT TO MAKE MULTI- YEAR CREDIT COMMITMENTS AT THIS TIME.

3. IN LIGHT THIS SITUATION, GOES SHOULD FIRST DETERMINE HOW MUCH CASH IT IS PREPARED TO DEVOTE TO THIS PURCHASE. FYI. ONCE FY74 LEGISLATION ENACTED - WHICH MAY NOT BE FOR SOME MONTHS, WE WOULD DO WHAT WE COULD TO PROVIDE ADEQUATE CREDIT. FOR FY75, IG/ ARA CASP RECOMMENDATIONS AND PRESENT STATE/ DEFENSE PLANNING CONTEMPLATE AS MUCH AS DOLS 3.0 MILLION IN FMS CREDIT FOR EL SALVADOR ( AND A LIKE AMOUNT FOR HONDURAS). THESE PLANNING FIGURES SHOULD BE - REGARDED AS ILLUSTRATIVE, AND IN NO WAY REPRESENTATIVE OF A COMMITMENT OF THIS AMOUNT OF CREDIT. RECENT EXPERIENCE INDICATES REDUCTIONS ARE LIKELY; FOR EXAMPLE, IN FY73, OVERALL LATIN AMERICAN CREDIT WAS CUT 23 FROM PLANNING FIGURE AND SOME COUNTRIES WERE CUT 100 . THEREFORE YOU ARE NOT AUTHORIZED TO DISCUSS THESE FIGURES WITH GOES. END FYI.

4. DELIVERY. AS POINTED OUT REFTTEL B, LEAD TIME FOR A-37 B FROM NEW PRODUCTION AND T-37 B FROM USAF INVENTORY  
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IS THE SAME, 16 MONTHS ( ESTIMATED) DUE TO LACK OF LOGISTICAL SUPPORT ITEMS ( GROUND EQUIPMENT AND SPARES). OTHER REQUIREMENTS HAVE DEPLETED USAF STOCKS THESE ITEMS; AND PROCUREMENT OF NEW GROUND EQUIPMENT AND SPARES WILL TAKE 16 MONTHS.

PART II: FOR TEGUCIGALPA

5. SINCE GOES DECISION REPORTED ABOVE REPRESENTS A  
CHANGE FROM THAT PREVIOUSLY CONVEYED TO GOH, SUGGEST YOU  
FIND APPROPRIATE OCCASION TO INFORM GOH OF CHANGED  
SALVADORAN PURCHASE PLANS. FYI. GENERAL COMMENTS  
ABOVE ON CREDIT SITUATION ALSO APPLICABLE TO GOH. ACCOR-  
DINGLY, WE ALSO NEED INFORMATION ABOUT THE AVAILABILITY  
OF HONDURAS CASH RESOURCES AS DISCUSSED PARA 3. SCHEDULE  
OF PAYMENTS FOR 6 A-37 S WOULD BE AS FOLLOWS:

FY74	FY75	FY76
1.0 MILLION DOLS	3.8 MILLION DOLS	0.3 MILLION DOLS

END FYI. RUSH

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a  
\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

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**TAGS:** MASS, ES, HO, US  
**To:** SAN SALVADOR  
TEGUCIGALPA  
USCINCSO  
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